UNITED
NATIONS

A

General Assembly

PROVISIONAL

A/45/PV.45
3 December 1990

ENGLISH

Forty-fifth session

GENERAL ASSEMBLY

PROVISIONAL VERBATIM RECORD OF THE FORTY-FIFTH MEETING

Held at Headquarters, New York,
on Wednesday, 21 November 1990, at 10 a.m.

President: Mr. RUKASHAZA (Rwanda)
(Vice-President)

- Critical economic situation in Africa [152]

  (a) United Nations programme of action for African economic recovery and development 1986-1990

  (b) Report of the United Nations Secretary-General's Expert Group on African Commodity Problems

  (c) African charter for popular participation in development and transformation

  (d) Note by the Secretary-General transmitting the report of the United Nations Secretary-General's Expert Group on African Commodity Problems

  (e) Draft resolutions

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In the absence of the President, Mr. Rukashaza (Rwanda), Vice-President, took the Chair.

The meeting was called to order at 10.30 a.m.

AGENDA ITEM 152

CRITICAL ECONOMIC SITUATION IN AFRICA

(a) UNITED NATIONS PROGRAMME OF ACTION FOR AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT 1986-1990

(b) REPORT OF THE UNITED NATIONS SECRETARY-GENERAL'S EXPERT GROUP ON AFRICAN COMMODITY PROBLEMS

(c) AFRICAN CHARTER FOR POPULAR PARTICIPATION IN DEVELOPMENT AND TRANSFORMATION

(d) NOTE BY THE SECRETARY-GENERAL TRANSMITTING THE REPORT OF THE UNITED NATIONS SECRETARY-GENERAL'S EXPERT GROUP ON AFRICAN COMMODITY PROBLEMS (A/45/581 and Add.1)

(e) DRAFT RESOLUTIONS (A/45/L.20, A/45/L.21 and Corr.1, A/45/L.22)

The PRESIDENT (interpretation from French): In connection with this item I should like to draw the Assembly's attention to the note verbale (A/45/427) dated 24 July 1990 from the Chargé d'affaires ad interim of the Permanent Mission of the United Republic of Tanzania to the United Nations addressed to the Secretary-General, to the letter (A/45/554) dated 24 September 1990 from the Permanent Representatives of Botswana and the Netherlands to the United Nations addressed to the Secretary-General and to the letter (A/45/591) dated 3 October 1990 from the Permanent Representative of Sierra Leone to the United Nations addressed to the Secretary-General.

The Assembly also has before it three draft resolutions, contained in documents A/45/L.20, A/45/L.21 and Corr.1 and A/45/L.22 and submitted, respectively, under sub-items (a), (b) and (c) of agenda item 152.

I should like to propose that, if there is no objection, the list of speakers in the debate be closed at 11 a.m. today.

It was so decided.

The PRESIDENT (interpretation from French): I therefore request those representatives wishing to participate in the debate to inscribe their names on the list of speakers as soon as possible.

I now call on the representative of Uganda, who will speak on behalf of the Organization of African Unity and will introduce the three draft resolutions.

Mr. KAMUNANWIRE (Uganda): A little over four years ago, at its thirteenth special session, the General Assembly unanimously adopted the United Nations Programme of Action for African Economic Recovery and Development 1986-1990. The mid-term review of that Programme was undertaken in 1988. The Programme as drawn has been a unique framework for co-operation for development between Africa and the rest of the international community. The General Assembly meets during this session to embark on the process of the final review and appraisal of the Programme of Action. Concurrently, the Assembly meets to discuss the report of the Secretary-General's Expert Group on African Commodities.

In adopting the United Nations Programme of Action for African Economic Recovery and Development, the international community endorsed Africa's priority programme, recognized the need to create a more supportive international economic environment, and pledged to make every effort to provide sufficient resources to support African development. Africa, for its part, committed itself to attaining at the national levels the objectives of the priority Programme, and to pursue vigorously appropriate policy reforms fully to mobilize domestic resources for the successful implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990.

When all is said, the socio-economic situation in the continent remains precarious today despite the strenuous efforts that have been made. The internationally supported structural adjustment programmes undertaken by various

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Mr. Kamunanwire, Uganda)

countries in the region individually and collectively to arrest and reverse the steady decline in Africa's economic performance has not made much headway. Productive and infrastructural facilities continue to deteriorate. Per capita income has drastically fallen, and so has food production. The majority of the population are trapped in the cycle of poverty of the deteriorating subsistence agriculture. Indeed there continues to be a sharp fall in the quality of life in Africa, as spending on public health, housing, education and other social services have been drastically cut.

(Mr. Kamunanwire, Uganda)

The statistics coming out of Africa are staggering. Only 23 per cent of Africans have access to safe drinking water. Africa has one doctor for every 24,000 people. Unemployment is endemic. Infant mortality stands at 120 per 1,000. Over 50 per cent of the adult population can neither read nor write. Net primary school enrolment is only 56 per cent. Fifty per cent of the world's refugees are Africans and 20 per cent of African emigrants are refugees. The number of African countries classified as least developed rose from 21 to 28 in the 1980s. Of the 26 severely indebted low-income countries, 24 are in Africa.

Africa's investment climate needs to be greatly improved. This alone, however, is unlikely to be sufficient if the external economic environment is not a contributory factor. There is no doubt that Africa's economic problems are compounded by the negative international environment, which has undermined Africa's efforts to revive and rejuvenate its economies - witness the sharp decline in commodity prices, the more than 40 per cent fall in terms of trade against Africa, the declining resource flows in real terms, the increasing debt burden, and, more recently, the impact on the economies of most African countries of high oil prices caused by the latest crisis.

Clearly, the international support arrangements that have been devised to assist the African countries to reach levels of self-sustained development have continued to be highly inadequate.

There are other factors beyond Africa's control whose impact on domestic resources allocation has not been given adequate attention. Such external factors include the disastrous climatic onslaught of the drought and desertification in Ethiopia and the Sahel and the floods in the Sudan, and externally supported policies of destabilization, especially in southern Africa. All these factors have had a serious bearing on Africa's economic decline.

This is not to suggest that the international community has been wholly unresponsive to the African plight. We have received a certain measure of help,

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but, given the magnitude of the problems facing Africa, the support has been very inadequate.

There is now a global consensus that the debt strategy, and in particular the Toronto Plan for the low-income African countries, is grossly inadequate. By the end of 1989 only 12 African countries had rescheduled their debts with the Paris Club, under the Toronto terms, with an estimated total saving on interest payments of $50 million. This represented a mere 2 per cent of these countries' debt-service obligation falling due in 1989. It is imperative that the recent debt-reduction proposals, including the Organization of African Unity (OAU) position, the United Kingdom and the Netherlands initiatives, and the Craxi proposals on the moratorium and debt forgiveness, receive the urgent attention of the international community.

African countries are determined to lay a solid foundation for self-reliant, human-centred, sustainable economic development and transformation. To this end the African countries have in recent years undertaken the following initiatives.

First, since the adoption of the Lagos Plan of Action there have been serious efforts to forge subregional and regional economic co-operation and integration on the continent. Indeed, as the current Chairman of the OAU, my President has been mandated to give an impetus to discussions leading to agreement on a treaty establishing the African economic community by mid-1991.

Secondly, the African countries are united and agreed on the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation. This programme has been recommended to the international community as the basis for co-operation with countries of the region. Intensive work continues in Africa to develop further the new concepts and instruments in the Alternative Framework.

Thirdly, the Cairo and Kampala Plans of Action on Environment and Sustainable

(Mr. Kamunanwire, Uganda)

Development constitute significant regional efforts to address environmental issues in the context of sustained and sustainable economic development.

Fourthly, the African Charter for Popular Participation in Development and Transformation, drawn up in Arusha in March 1990, demonstrates that without improvements in governance development will prove to be neither equitable nor sustainable. Many countries in Africa have committed themselves to achieving its objectives.

Fifthly, the Bamako initiative is designed to reflect the effective commitment of the peoples of the continent to defining and administering their health care plan and programmes to the year 2000.

Sixthly, the Charter on the Rights and Welfare of the Child was adopted in Addis Ababa in July 1990.

Many delegations will have by now read the concluding statement of the Conference on Africa, which was held in Maastrich, the Netherlands, from 2 to 4 July 1990. The Conference provided an opportunity for high-level representatives from both African and industrialized countries, as well as from the multilateral financial institutions, to reach a consensus on the main issues that affect Africa's development. The OAU has welcomed the Maastricht initiative on a global coalition for Africa as, it is hoped, a reflection of a new international partnership that will support Africa's integration, economic growth and long-term development and transformation. This would indeed be a very welcome development.

Significant efforts continue to be made. I should like at this juncture to express our appreciation to the Secretary-General for having set up a high-level Expert Group on African Commodity Problems, under the chairmanship of Mr. Malcom Fraser, in implementation of resolution 43/27. The African countries have accorded high importance to the work of the Expert Group and to its report. The solution to the commodity problem remains a key factor in the continent's efforts to achieve self-sustaining economic growth and development.

(Mr. Kamunanwire, Uganda)

Africa's objectives in the commodity sector, within the context of the Lagos Plan of Action, are as follows: first, maximizing the earnings from exports through the processing, transportation, marketing and distribution of their commodities; second, increasing employment opportunities and generating higher government revenue through improved efficiency in commodity production and trade; third, providing industrial materials and intermediate inputs for the industrial sector; fourth, achieving increased food-security and food self-sufficiency at the regional level; fifth, reducing the excessive dependence on commodities through accelerated diversification and structural transformation; and, sixth, having access to adequate resources, technology and markets needed for horizontal and vertical diversification.

The views of the African countries on the Fraser report are contained in document A/45/591. Suffice it to say that we believe the report contains a number of useful recommendations for a policy package to be implemented at the national, regional and international levels. We hope that the General Assembly will make a full assessment of the report and fill in the gaps, where the group of experts was unable to pronounce itself on some of the issues.

Africa's development and overall transformation will depend largely on its capacity to reduce unit costs of production and be competitive in the commodity sectors in order to produce adequate raw materials and food, increase the surplus which can be invested, achieve a high level of employment and create an effective domestic demand. The experience of the 1980s has, however, shown the danger of reliance on increased production and export of traditional commodities. To recapture the momentum of sustained economic growth, therefore, it is imperative that African countries design policies for diversification away from commodity dependence at the national, subregional and regional levels. This will require,

(Mr. Kamunanwire, Uganda)

however, substantial support from the international community to finance the required infrastructural investment.

The African Common Position on the Fraser report makes concrete supportive proposals for action on diversification, export earnings stabilization, access of African commodity exports to markets, especially in the developed countries, and economic integration in Africa. It also makes recommendations on the follow-up mechanisms to be adopted by this session of the General Assembly. In this regard, it is of the utmost urgency that the international community give full support to the establishment of a commodities diversification fund in Africa. Such a fund would be utilized to finance programmes and projects in the commodity areas of research and development, human resoruces development, intra-African co-operation and joint ventures. It is equally important that the final outcome of the Uruguay Round take into account the long-term development needs of the African countries, especially in the areas of agriculture, tropical products, textiles and natural-resource-based products.

One of Africa's contributions to the world, as pointed out earlier, is the African Charter for Popular Participation in Development and Transformation. The charter reflects Africa's collective commitment to promote socio-economic transformation and integration based on guarantees for human rights, and popular participation of the people in the process of government and development. It should serve as a reminder that few political systems are born fully formed. An authentic grass-roots democratic movement is currently being consolidated by the internal social and cultural dynamics in Africa. We call upon the international community to support Africa's efforts in promoting economic recovery and development through popular participation.

(Mr. Kamunanwire, Uganda)

Indeed, those who are in the vogue of prescribing models of democratization across cultures and regions need to re-examine their positions in a historical context. We must resist the temptation of falling into the Francis Fakuyama trap, of misreading the recent events in Eastern Europe as the end of history. It would be wrong to get too excited about the existing and recent systems of democracy - as if they were the beginning and the end of the world. Every system must be allowed to evolve in the context of its history, culture and domestic conditions.

On 1 November 1990 the General Assembly decided that an ad hoc committee of the whole of the forty-fifth session should be set up to prepare the final review and appraisal of the United Nations Programme for African Economic Recovery and Development 1986-1990. The ad hoc committee should also propose measures and actions to support a process of sustained growth and long-term transformation in Africa beyond 1991. This would be in line with the recommendation of the ministerial meeting of the African Ministers of Planning and Economic Development held in Tripoli, Libya, in May 1990. It is important, therefore, that the ad hoc committee be established as soon as possible, to enable it to start its work early in 1991. We hope that the Secretary-General will work closely with the Secretary-General of the Organization of African Unity and the President of the African Development Bank to ensure adequate preparation of the necessary technical studies and documentation for the appraisal of the United Nations Programme of Action for African Economic Recovery and Development.

Finally, I should like to remind the Assembly that my President, speaking in his capacity as the current Chairman of the Organization of African Unity, to the General Assembly on 1 October 1990, focused on strategies for economic and political development in Africa and the supportive role the international community could play. In that statement, he identified five fundamental obstacles to

(Mr. Kamunanwire, Uganda)

Africa's economic and political advancement. These are: first, human resources underdevelopment, including in particular science and technology training and transfer; secondly, the excessive, indeed unbearable, debt burden of the world's poorest nations; thirdly, rigidities and distortions in Africa's external trade, especially with industrial developed countries; fourthly, rigidities and distortions in fiscal and monetary policy influences, especially in relation to multilateral financial institutions; and, fifthly, rigidities of political institutions in African countries.

If Africa is to be able to avoid economic difficulties, those issues need to be seriously addressed and solutions found. It is our hope that Africa, with the support of the international community, will meet these challenges.

I now have the honour, on behalf of the African Group, to introduce three draft resolutions to the General Assembly under item 152, "Critical economic situation in Africa".

Under sub-item (a) of this item, "United ations Programme of Action for African Economic Recovery and Development 1986-1990", draft resolution A/45/L.20 attempts to establish the appropriate arrangements to ensure that the final review and appraisal of the Programme is undertaken as agreed by the General Assembly on 1 November 1990.

(Mr. Kamunanwire, Uganda)

The preambular paragraphs of draft resolution A/45/L.20 recall relevant resolutions. Operative paragraphs 1 to 4 relate to the establishment of an ad hoc committee of the whole to prepare the final review and appraisal of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990, and set out time, duration, mandate and the composition of its bureau. Paragraph 5 is intended to ensure that, in formulating its viewpoint on the implementation of the Programme of Action in the form of memoranda or in other forms, the Permanent Steering Committee of the OAU is well fed with informational inputs from various organs and bodies of the United Nations system, in particular the Economic Commission for Africa (ECA). In paragraph 6 the Secretary-General would be requested to facilitate the work of the ad hoc committee by submitting a report to it. Paragraph 7 reflects the opinion of the African Group that the bureau will need ample time to prepare the work of the ad hoc committee well in advance of its session in September 1991. The African Group therefore proposes that the ad hoc committee meet as soon as possible and that its organizational session be held in April 1991.

Under agenda item 152, sub-item (b), "Report of the United Nations Secretary-General's Expert Group on African Commodity Problems", the African Group is submitting a procedural draft resolution (A/45/L.21 and Corr.1), bearing in mind the Secretary-General's comments in his note distributed as document A/45/581/Add.1. The draft resolution takes into account both the Fraser report and Africa's common position on that report, as supplementary documents. In his note, the Secretary-General proposes to consult all relevant parties in preparing his report on Africa's commodity problems for submission to the General Assembly at its forty-sixth session, through the ad hoc committee of the whole for the final review and appraisal of the United Nations Programme of Action.

(Mr. Kamunanwire, Uganda)

In draft resolution A/45/L.21 and Corr.1, therefore, the Assembly would encourage the Secretary-General to consult with the OAU, interested Governments, multilateral financial institutions, regional development funds and other relevant bodies and come up with concrete measures for following up the recommendations contained in the Fraser report, taking into account the proposals in Africa's common position. It would also request him to carry out a number of relevant studies. The Assembly would also request the Secretary-General, in consultation with the President of the African Development Bank and other relevant bodies, to undertake a study on the feasibility of establishing an African commodity diversification fund, as proposed both in Africa's common position and by Ambassador Huslid of Norway, a member of the Expert Group on African Commodity Problems. It is our sincere hope that such a study would enable the General Assembly to examine the question of a commodity diversification fund for Africa.

Under item 152, sub-item (c), entitled "African Charter for Popular Participation in Development and Transformation", the African Group is submitting draft resolution A/45/L.22 as a procedural draft resolution. In operative paragraph 3 the Assembly would call on the international community to increase support to Africa's efforts in bringing about sustained growth and development, taking into account national priorities, policies and strategies for economic development.

It is the hope of the African Group that procedural draft resolutions A/45/L.20, A/45/L.21 and Corr.1 and A/45/L.22 will be adopted by consensus by the General Assembly. We are prepared to carry out the necessary consultations with interested delegations over the next few days to ensure the early adoption of the three draft resolutions.

Mr. LENZI (Italy): The economic situation in Africa remains a matter of great concern for the European Community and its member States. In the past two years there has been a modest economic recovery in Africa. In 1989, according to World Bank data, the aggregate gross domestic product of sub-Saharan African countries rose by 3.5 per cent, as against 2.5 per cent in 1988. Countries that were beneficiaries of official development assistance performed even better, with their gross domestic product rising by 4.2 per cent, as against 3.4 per cent in 1988. If we refer to per capita growth rates in gross domestic product, however, we find that, given the high rates of population growth, per capita levels of gross domestic product actually stagnated or even declined during the same years.

Fundamental vulnerabilities and structural weaknesses remain in most African economies, particularly since the events in the Gulf. The impact of the economic consequences of the Iraqi invasion of Kuwait heightens our concern for the prospects of African economies. We recently heard in the Second Committee from the Under-Secretary-General, Mr. Rafeeuddin Ahmed, and from the Managing Director of the International Monetary Fund (IMF), Mr. Camdessus, that the increase in energy prices is having the greatest negative effect on the least developed countries, of which the majority are in Africa.

A central role must be played by the international financial institutions in mobilizing international suppport. We heard with great interest the ideas mentioned by Mr. Camdessus in his statement in the Second Committee. He referred in particular to proposals aimed at increasing the flexibility of IMF procedural and access rules so as to enable IMF to provide the most affected countries with the support made possible by the recent increase in IMF quotas. He also referred to the work at present under way to establish a subsidy account, that would be

(Mr. Lenzi, Italy)

funded for the most part by voluntary contributions from countries that are benefiting to a significant degree from the increase in fossil fuel prices, as well as by contributions from all member countries in a position to take part in the effort. Such an account should enable the International Monetary Fund to extend to eligible countries in serious difficulties assistance commensurate with their situation.

We look forward with interest to further discussion and follow-up of these proposals and initiatives.

The international community must enhance its support for the efforts under way in many African countries to pursue adjustment programmes. International assistance is particularly needed to tackle the present difficulties without undermining the overall adjustment efforts.

Africa faces big challenges in the 1990s, with risks of setbacks and failures. But it also faces opportunities to grow and create greater prosperity. The experience of the African countries which have adopted structural adjustment programmes reveals the following: more adequate economic policies than a few years ago, including a more efficient and effective taxation system and management of public finance, in most cases, and adjustment programmes that will produce real growth to permit a gradual and sustainable, if small, improvement in per capita incomes.

(Mr. Lenzi, Italy)

It is widely recognized that the primary responsibility for economic development lies with the developing countries themselves, and that sound national economic and structural policies are needed to set appropriate conditions for promoting economic growth and sustainable development. A supportive international environment is crucial to the effectiveness of national policies, but external assistance cannot compensate for inappropriate domestic policies and structures.

Policies should be adequate to the challenges. As Professer Adededji, Executive Secretary of the United Nations Economic Commission for Africa, put it recently,

"we must repudiate those policies and programmes which focus almost exclusively on symptoms, rather than attacking the fundamental causes of the continent's economic malaise".

In this context, the European Community and its member States believe that the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 represents an important change in economic thinking on strategies for economic growth and development in Africa. In the Programme of Action there is clear recognition of the priority to be attached to the problems of Africa, as well as of the need for strengthened international co-operation for development. We must build upon a strengthened partnership; countries that adopt sound policies must be able to count on international support and on adequate financing.

The United Nations Programme of Action is coming to an end in a few months, but the commitments it contains should be pursued well beyond 31 December 1990. An unremitting effort should be made, at the national and the international levels, to ensure that there is full implementation of those commitments on a continuous basis. In this regard, the European Community and its members States look forward to the final review and appraisal of the implementation of the Programme of Action

(Mr. Lenzi, Italy)

and to the drawing up of measures for sustained development in Africa beyond 1991. That review should cover both the successes and the failures of the Programme, with a view to finding appropriate solutions for the future. The Twelve will actively contribute to this exercise, in a spirit of co-operation and solidarity.

The ideas put forward by the United Nations Programme of Action have subsequently been further elaborated on, particularly within the United Nations. The Declaration on International Economic Co-operation adopted by the eighteenth special session of the General Assembly was a major achievement in this process. Along the lines of the special session, the Second United Nations Conference on the Least Developed Countries, held in September 1990 in Paris, has been particularly important for the African countries, many of which fall into the category of least developed country. I shall revert to this issue later.

The International Development Strategy for the Fourth United Nations Development Decade is a further point of reference for the international community on major development issues.

I should also like to refer to the Conference on Africa held in Maastricht, the Netherlands, in July 1990. The Conference made a very useful contribution to the discussion of the major problems affecting the African continent, and of policies and approaches for solving them, including the need for a global coalition for Africa. We look forward to the follow-up conference in Kampala in 1991.

In Maastricht, African countries recognized that the basic principle underlying all serious and realistic development strategies is that development must be a long-term, human-centred process. Real progress in economic growth and development can be achieved only if better nutritional levels are attained and if access is ensured to health services, education, infrastructure, land, credit and productive inputs. Governments need to devote a greater share of their resources

(Mr. Lenzi, Italy)

to the essential, basic social services - primary health care, including family planning, primary education, access to safe drinking water and sanitation - than they do to military expenditure, unproductive investment and costly, big infrastructure projects.

Reducing poverty is also, in our view, a major factor in developing human resources and promoting conditions for economic growth and development. A number of ideas and proposals in this respect have been set forth, particularly in the World Development Report 1990 of the World Bank and in the Human Development Report prepared for the United Nations Development Programme. Reducing poverty should be an integral part of the sound economic and structural policies which Governments should pursue in the short and medium term as a means to promote economic growth and sustainable development. A number of policies and measures can be adopted in this regard, including appropriate compensatory mechanisms, designed to protect the most vulnerable sectors of the population while the adjustment processes are under way.

Strategies to eradicate poverty should be based, among other things, on revitalizing investment, increasing the level of domestic savings, improving the access of the poor to credit, and promoting small-scale ventures and micro-enterprises, including those in the informal sector. Creating job opportunities for the poor requires, first of all, that the most abundant resource, labour, should be utilized in the most appropriate manner.

Much can be done to strengthen the industrial and agricultural base of the economy, in particular through the promotion of conditions favourable to private initiative. We have in mind, for example, developing small-scale and labour-intensive enterprises, which are, in many cases, better suited than large-scale and capital-intensive industries to the structure of local demand, the cost of imported raw materials and so on.

(Mr. Lenzi, Italy)

We also think that promoting market forces and entrepreneurship in the developing countries requires, among other things, institution-building and the development of rural infrastructure, transport, communications and food security systems. These objectives should be achieved through national economic policies complemented by international co-operation.

Agriculture, food security and rural development also have a central role to play in alleviating hunger, poverty and social inequality and in ensuring a better balance between rural and urban areas, while at the same time developing a wider and deeper market for industry.

Poverty is also closely linked with environmental degradation and population pressure. Environmental degradation in Africa is a major constraint on the prospects for economic growth; specifically, drought and desertification are the severest effects of environmental degradation and the main causes of the recurrent famine crises, which affect millions of people.

We think that each of the three components of the vicious circle of poverty, population pressure and environmental degradation should be addressed, with the aim of breaking the circle and creating favourable conditions for sustainable development.

We also think that special attention should be paid to health-related problems, particularly AIDS, and to their devastating effects on the social and economic infrastructure of the most affected countries, especially in Africa.

Population is perhaps the single most crucial issue for Africa today. At the current high population growth rates, no significant progress can be achieved in per capita income levels, which are at present extremely low. Family planning is particularly important if further aggravation of the already difficult social, economic and environmental problems is to be avoided. Improved educational

(Mr. Lenzi, Italy)

opportunities for women and the greater integration of women into the economy can also contribute significantly to stabilizing population.

We note in this regard that some progress has been achieved, particularly since the mobilization of the United Nations Programme of Action; seven sub-Saharan African countries have adopted population policies, and 20 more are in the process of developing such policies.

The European Community and its member States are convinced that a strong impetus to the process of economic growth in the African countries could be provided by a greater degree of regional integration. Although some results have been achieved in this regard, the record remains poor. Intra-regional trade is stagnating at a level of less than 5 per cent of total African exports.

We regard debt strategy in all its components as one of the major areas where well-designed national economic policies appropriately complemented by international co-operation can achieve long-term results. The debt problems of African countries are indeed a major constraint on their prospects for economic growth and development. The proportion of export earnings required to cover debt service obligations has remained high over the last few years.

(Mr. Lenzi, Italy)

The Twelve member States of the European Community have adopted a number of measures to alleviate the debt problems of many sub-Saharan African countries. In particular, several member countries of the European Community have already written off the official development assistance debt obligations of the poorest and/or the least developed countries, or are in the process of doing so. They have written off or expressed their intention to forgive more than $8 billion in official debt owed by sub-Saharan African countries. The Toronto terms constitute an important step forward for the non-concessional debt of the poorest countries as well.

Furthermore, member States of the European Community have recently made specific proposals concerning severely indebted low-income countries implementing adjustment programmes. Those initiatives are centred on the write-off of all or most bilateral official debt not related to official development assistance, on generous debt-service rescheduling and on the link between debt relief and sound economic policies. These are under consideration at the Paris Club.

Concerning debt relief for middle-income and lower-middle-income developing countries, proposals were made by one member State of the European Community and are at present under consideration at the Paris Club that could be particularly beneficial to some countries in Africa. The first elements of this treatment have been applied to two of these countries, namely Morocco and the Congo.

Under the new Lomé Convention between the European Community and its member States and the countries of the African, Caribbean and Pacific Group, there are no longer special loans or any replenishment requirements for STABEX, so that more than 90 per cent of total available resources are grants. Moreover, there is for the first time a special set-aside programme of at least 1,150 billion Ecu to support economic reforms in highly indebted countries of the African, Caribbean and Pacific Group. As for Sysmin, this instrument now operates exclusively with grants.

(Mr. Lenzi, Italy)

Our objective must be to foster African export earnings, reduce the excessive debt-service burden and restore normal financial flows, including foreign investment.

The external resources constraints facing the low-income countries have been partly relaxed by measures other than those relating stricto sensu to debt. Low-income countries have benefited from several specific concessional assistance programmes aimed at increasing the availability of external resources. New concessional programmes from the World Bank and the IMF have been set up to support countries with serious development or balance-of-payments difficulties.

Currently, 21 low-income African countries are eligible for support through the Special Programme of Assistance of the World Bank to a total of $6 billion over the period 1988-1990. About 70 per cent of this funding is in grant form. At a recent meeting creditors and donors agreed to extend the Programme facility to 1993. There is a good prospect that about $8 billion of such assistance can be mobilized in this second phase.

Measures in favour of low-income countries are also envisaged through the supplemental International Development Association (IDA) adjustment credit programme, which was launched in 1989 to provide credits for about $80 million to nine severely indebted low-income countries by the end of this year.

The debt owed by many least developed countries to multilateral institutions has increased; it attained the level of $24 billion in 1988 and its service represents about one-third of that of global debt. We believe that special attention should be devoted to the elaboration of measures to solve this important aspect of the debt problems. The European Community and its member States strongly support the provisions on debt contained in the Programme of Action adopted by the Second United Nations Conference on the Least Developed Countries.

(Mr. Lenzi, Italy)

In the 1980s a long-term adverse trend in real non-fuel commodity prices affected most African countries negatively, thus contributing to the deterioration of their terms of trade. Most African countries have indeed to cope with large price fluctuations of their export commodities. In the short term, compensatory mechanisms for stabilization purposed and for support to productive capacity and diversification can be of great assistance. But long-term adverse trends in real commodity prices can be adjusted to only through domestic economic reforms supported by international co-operation, with a view to providing greater opportunities for enhanced productivity, vertical integration and diversification.

The report of the Secretary-General's Expert Group on African Commodity Problems provides some useful elements for the debate on that issue. The Export Group points out that there is great potential for increasing production of many existing export crops and for developing new export products, or processing existing export products, by moving into industrial production. The recommendations contained in the report deserve appropriate consideration. We refer in particular to the following recommendations: more effective agricultural research and extension services; better rural education and a greater emphasis on agricultural education in universities and colleges; greater reliance on market-based pricing policies; differentiation between crops; greater involvement of the private sector; encouragement of direct foreign investments and the search for overseas partners for joint ventures to promote marketing and diversification; the establishment of reasonable and practical rules of operation relating to foreign co-operation ventures; encouragement of diversification at all levels and in all directions; recognition of the need for greater regional co-operation; and an elaborated approach to agreements with economic clauses.

The European Community and its member States have been particularly active in their support for production diversification programmes. STABEX and Sysmin are

(Mr. Lenzi, Italy)

examples of compensatory mechanisms designed to support productive capacity and diversification of commodity-dependent developing countries.

International co-operation should be enhanced through early implementation of the Common Fund's second window and improved functioning and revitalization of existing commodity agreements, which must reflect and be consistent with market trends. The Community and its member States will continue to work for a new international coffee agreement, which should, inter alia, correct the problems experienced with the 1983 Agreement. A new agreement with carefully negotiated economic provisions could be of major assistance to coffee-producing countries in many parts of Africa. No substantial progress will be achieved without underlying basic political conditions. In their concluding statement at the Maastricht Conference on Africa, the co-Chairman said:

> "Africa needs better governance. There is a clear demand for measures to ensure greater accountability, transparency and participation in public affairs."

In the context of the Paris Conference on the Least Developed Countries, African countries have been among the most active in promoting provisions on the need for democratic, free institutions and respect for human rights and fundamental freedoms as the pre-condition of any policy of economic and social development.

The European Community and its member States attach particular importance to the African Charter for Popular Participation in Development and Transformation, which was adopted by the International Conference held in Arusha, Tanzania, from 12 to 16 February 1990. It is an important document chacterized by an innovative spirit and original ideas. We remind members that, among the policy indications underlined in the African Charter for Popular Participation in Development and Transformation, is one concerning the full integration of women into the

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economic and social life of the African countries as a main factor in promoting human resource development. We also recall that a basic general reference in that context is represented by the Charter on Human Rights adopted by the Organization of African Unity in Addis Ababa.

In conclusion, I would like to make a special reference to the Second United Nations Conference on the Least Developed Countries, which has been of particular significance for the African countries. The European Community and its member States welcome the outcome of the Conference, reaffirm their full endorsement of the Paris Declaration and consider the measures contained in the Programme of Action a valuable instrument for promoting growth and development. We are committed to the effective implementation of the Programme on the basis of the following: the primary responsibility of the least developed countries for formulating and implementing policies and priorities for their growth and development; shared responsibility and strengthened partnership; adequate external support for the least developed countries from their developed partners; and recognition of the need to undertake commitments that are specific and transparent enough to allow of monitoring and assessment.

In this framework, the member States of the European Community reaffirm their commitment to attainment of the accepted United Nations target of devoting 0.7 per cent of their gross national product to official development assistance and, within that, the targets agreed upon at the Second United Nations Conference on the Least Developed Countries, held in Paris from 3 to 14 September 1990. In particular, the Twelve are making and will continue to make efforts that should allow the Community as a whole to exceed by the end of the decade the target of 0.15 per cent of the gross national product for official development assistance to the least developed countries. In addition, they emphasize their determination to improve the quality of the aid they provide.

(Mr. Lenzi, Italy)

The commitment of the European Community and its member States in terms of allocation of official-development-assistance resources to the least developed countries is demonstrated by the latest Lomé Convention, to which 33 out of 41 least developed countries have adhered. The latest Lomé Convention has brought about a 26 per cent increase in real terms in financial aid. The Community is equally committed to co-operating with the least developed countries that are not signatories to the Lomé Convention. The Community will further strengthen its development efforts with regard to these countries as well.

We also wish to reiterate that the commitment of the Twelve to the developing countries, and to Africa in particular, will not be weakened by the Twelve's support for the transition process in Central and Eastern Europe. The European Community and its Member States stand ready to work in a co-operative manner to support fully the programmes and policies of the African countries to promote economic growth, sustainable development, and through them better social and human conditions for their citizens.

Mr. HUSLID (Norway): I have the honour to speak on behalf of the Nordic countries - Denmark, Finland, Iceland, Sweden and my own country, Norway.

We think it is most appropriate that the United Nations in plenary session today should take up the critical economic situation in Africa. We are here addressing a question of the utmost importance and gravity, not only as a question of crisis management but as a problem of long-term character with consequences not only for the continent of Africa itself but, in an interdependent world, for the whole world community.

It can hardly be said that we do not have enough information and knowledge of the critical economic situation in Africa - a situation further aggravated by the economic repercussions of the Gulf crisis. Africa has long suffered from an unsustainable population growth and has been disproportionately hard hit by the

(Mr. Huslid, Norway)

AIDS pandemic. The situation in Africa over the recent period has been amply described and thoroughly analysed in a series of studies and documents, some of which are before the General Assembly today. Particular mention can be made in this connection of the extensive study made by the World Bank last year, entitled "Sub-Saharan Africa: from crisis to sustainable development"; the report of the Secretary-General's Expert Group on African Commodity Problems, already referred to, and the OAU's common position on that report; and the latest World Bank "World Development Report" - in addition to the extensive documentation issued within the United Nations, both here at Headquarters and at the Economic Commission for Africa, such as the African Alternative Framework to Structural Adjustment Programmes. A valuable input is also the report - just mentioned - of the recently held Maastricht conference on Africa, which we have before us.

All these reports and studies may vary in emphasis and direction, but they all paint a rather bleak picture of the economic situation of and prospects for Africa. They draw similar conclusions about the need for renewed thinking on and strategies for what the African Governments and the donor community need to do to reverse the declining trends.

It would, of course, be going too far to try to enter into a detailed discussion of the different aspects described and commented upon in depth in the these studies and documents. They deal with commodities and trade, with financing and debt, with technology and education, as well as with several other aspects of economic and social life that influence the prospects for growth and development. It is undoubtedly important to bear in mind that all these aspects are interrelated, and one cannot just look at each of them in isolation. An integrated approach, involving both national and international action over a broad spectrum of issues, will be necessary.

(Mr. Huslid, Norway)

An important point that is underlined in the aforementioned World Bank 1989 report is that although sound macroeconomic policies and an efficient infrastructure are essential for providing what is called "an enabling environment" for the productive use of resources, they alone are not sufficient to transform the structure of African economies. As has been stressed, efforts are, at the same time, needed to build African capacities and to strengthen the institutional framework within which development can take place. Therefore, the report strongly supports the call for a human-centred and participative development strategy, which is also advocated by the Economic Commission for Africa (ECA) and the United Nations Children's Fund (UNICEF).

This is a line of action which we, the Nordic countries, would equally like to underline and we do so on the basis of the experience we have had in development co-operation efforts over several decades both in Africa and elsewhere. We are happy to see this strategy so eloquently endorsed and embraced in the African Charter for Popular Participation in Development and Transformation, which also appears on our agenda for today. We find in this charter, formulated by the Africans themselves, an emphasis on people's participation, on partnership, on economic justice and on democratization of the development process to which we can only give our full support. The Nordic countries will especially endorse the charter's call for better integration of women in the development process and political life to reach this goal.

No Government can achieve durable and stable development without the support of its population. Only a Government that is accountable to its people can command the popular support needed for common efforts in times of adjustment and renewal. Transparency in decision-making is another prerequisite for sound and fair government, and is likely to diminish malpractices and corruption.

(Mr. Huslid, Norway)

The Nordic countries have been and are strongly involved in development co-operation in Africa and we have some of our biggest development assistance programmes in African countries. This work will continue in the years to come, and we trust that in this work we shall be able to play our part in helping to release the very large development potential that we find in Africa.

I mentioned at the outset of my intervention that it would not be possible to deal with all the factors, internal and external, which influence the development process. Permit me, however, to mention one problem that is particularly highlighted in our agenda this morning - that is, the problem of commodities.

In a way commodities ought not to be perceived as a problem, since the richness and possibilities of Africa's commodities constitute an asset for the continent. But we are aware of the many difficulties that have been plaguing the production and marketing of commodities over the years, such as overproduction on the one hand, failing crops owing to drought and other natural or man-made calamities on the other, instability of prices, deteriorating terms of trade, unfavourable long-term trends, substitutes, and so forth - the list could be even longer. The fact that so many African countries are heavily dependent on one or a few commodities makes them, as we know, dangerously vulnerable to the effects of all these hazards that have tended to befall the commodity sector.

(Mr. Huslid, Norway)

We have before us today the report of the Secretary-General's Expert Group on African Commodity Problems. As has been mentioned, I had the honour of being a member of that Expert Group in a personal capacity, but I shall refrain from making any comments here in that respect. A central message in that report is that commodities, if handled rightly, constitute a great potential source of economic strength. It is stressed that at the outset African countries must strive to use and develop more effectively and efficiently the resources they have. The report argues that Africa should vigorously pursue commodity-based growth policies, seeking to exploit the comparative advantages of natural-factor endowment. In so doing, African countries must undertake measures on a broad front to increase productivity in the commodities sector in order better to exploit a competitive edge.

It goes without saying that such national strategies, which we would view as positive and desirable, must take place within realistic perspectives of world supply and demand, which is also implicit in the report. Today there seems to be a general understanding that the market-oriented economic-growth policies have proved effective. But whereas market orientation is a necessary prerequisite, it is not in itself a sufficient framework; it needs to be supplemented by an efficient public sector and, not least, by international economic co-operation. It is therefore also pertinent to underline here the importance of international commodity co-operation, comprising both exporter and importer countries, to which the Nordic countries have given their strong support in many ways. The second window of the Common Fund for Commodities must become operative as soon as possible. Pledges made must, as a matter of course, be honoured. In its policies the Common Fund must furthermore accord priority to the commodities of central importance to the least developed countries, most of which - 28 out of 42 - are, as we know, in Africa.

(Mr. Huslid, Norway)

We take it that the report's emphasis on commodity strategies should not be interpreted as disregard for the importance of commodity diversification, be it horizontally or vertically - although the question of diversification could perhaps have been more fully dealt with in the report. For certain commodities, at least, the long-term perspectives would seem to lie more in diversification than in an increase in the production of the commodity in question.

We know that both the process of commodity development and that of commodity diversification are extremely costly, and that is also underlined in the report. The Nordic countries hope that at least some of the proposals in the report for further financing - and there are several - can be implemented, with the ultimate goal of attaining very soon the United Nations target of devoting 0.7 per cent of the gross national product of all donor countries to official development assistance. It is also important to achieve the targets agreed at the second Paris Conference on the Least Developed Countries, most of which, as I have noted, are African, as well as ensuring new non-debt-creating flows of capital in general to that group of countries. To mobilize funds from donors, however, as the Expert Group rightly points out, African Governments must demonstrate a will to genuine self-help. In this connection the recommendation that military expenditures be cut from today's average of approximately 10 per cent of Government expenditure to no more than 5 per cent is well founded.

Let me conclude by saying that the Nordic countries are prepared to continue as active participants in the development process in Africa, in co-operation with the Governments concerned. We shall also continue our participation both in the operational activities and in the monitoring of this process within the United Nations system. In this connection we expect to return to these questions more extensively at the final review of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990, to be made at the next session

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of the General Assembly. All efforts must be exerted, both nationally and internationally, to make the decade of the 1990s a better one for Africa than was the decade of the 1980s.

One final remark, with regard to draft resolutions A/45/L.20, L.21 and L.22, submitted by the Ambassador of Uganda: I have not commented upon them in this statement because these documents were published only yesterday and we have not, in fact, been able to consult on them. I trust that it will be possible to return to them and to consult with other countries - not least the African - so that we can treat them with the seriousness they deserve.

Mr. JIN Yongjian (China) (interpretation from Chinese): It is highly necessary and timely for the current session of the General Assembly to discuss the agenda item concerning the critical economic situation in Africa. It provides a good opportunity for the international community to follow Africa's latest economic developments and to explore further ways and means to solve the economic and social crises in Africa.

At approximately this time last year we were here to discuss the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation. A year has passed and yet Africa's economic situation has not witnessed any marked improvement, and in some areas the situation has even worsened.

We note with deep regret that, to date, the per capita income of African countries remains almost the same as it was immediately after their accession to independence. At present about 100 million people in African suffer from malnutrition; 16 per cent of the world's population existing at the poverty level live in sub-Saharan Africa, and that percentage is expected to reach 30 per cent by the year 2000. Furthermore, that region's share of world markets has fallen by half since the 1970s. In 1989 the total accumulated debt of African countries

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reached $257 billion, and sub-Saharan African had to spend as much as 27 per cent of its export earnings for debt services. In addition, many African countries are faced with an increasingly deteriorating environmental and biological situation. The number of least developed countries in Africa increased from 21 in 1980 to 28 in 1989. Those are the realities in Africa today.

(Mr. Jin Yongjian, China)

The external environment for the African countries is even more grim. On the one hand, the continuous decline in primary commodity prices, the accelerated trade protectionism and the decrease of financial flows for development have seriously obstructed the efforts of the African countries to reactivate their economic growth and development. On the other hand, the rapid advances in world science and technology, the increasingly fierce competition in world markets and the acceleration of trade and economic integration in developed countries provide African countries with new challenges and pose a real threat of further marginalization. It needs to be pointed out that the recent Gulf crisis and the rise in oil prices have created additional difficulties in many African countries, further aggravating their economic plight.

The African countries have for years made unremitting efforts, individually and collectively, to avert crisis and reverse the trend of continued economic stagnation. The overwhelming majority of African countries have carried out structural adjustment programmes designed by multilateral monetary and financial institutions. However, facts have shown that as a result of a deteriorating external environment and the fact that many adjustment programmes are not suited to the national conditions, these countries' efforts have had little result and heavy political and social costs have been paid. Many countries, instead of achieving recovery in their economic and social development, have sunk deeper into difficulties.

At present the world economic and international political pattern is undergoing very profound historical changes. The African economy is also at a turning point. The further development of Africa is a question of concern not only to African countries themselves but to the international community as well.

We are of the view that to restore and reactivate economic growth and development on the African continent and to ensure a fundamental solution to

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Africa's problems, short-term adjustment programmes must be combined with long-term development strategies. This requires not only efforts by African countries themselves, but also external support by the international community, especially the developed countries. The two are inseparable.

At present the international community, and in particular the developed countries, must adopt practical measures to stabilize primary commodity prices, increase official development assistance and financial flows to African countries, and transfer appropriate technologies, particularly those concerning agricultural production, on favourable terms. The international community also needs to take urgent steps to reduce the debt-service burdens of African debtor countries and to provide debt relief on the official debts of the least developed countries in Africa. At the same time, effective assistance should be provided to African countries in such fields as population growth control, environmental protection and development of human resources.

We appreciate the reiteration in the Declaration adopted by the Assembly of Heads of State and Government of the Organization of African Unity (OAU), in Addis Ababa, of the statement that Africa's economic development is the responsibility of the Governments and peoples of African States. African countries have come to the conclusion through the bitter process of adjustment that in order to ensure success in economic structural adjustment, the development process must be built upon social equality and collective self-reliance.

We are glad to note the recent discussions by African countries on accelerating the process of regional economic integration and the establishment of an African economic community. Meanwhile, African countries are determined to pursue population and environmental policies which will benefit their economic growth and development. Efforts are also being made to enhance the importance of agricultural production and promote participation by the people in the

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policy-making and development process, in order to create a stable environment for Africa's economic development. We appreciate and support these efforts. We also support the African countries' call for the establishment of a just and equitable international economic system and their proposal to enhance South-South co-operation and reactivate the North-South dialogue and co-operation.

The Government and people of China, as a developing country, have always been concerned about and actively supported Africa's development. Although China is still a low-income country, we have offered assistance to the best of our ability to African countries. Our aid programme for Africa occupies an important place in our overall foreign aid programme for the developing countries. In this respect, we have always abided sincerely by the spirit of the principles of respect for sovereignty, being consistent with national conditions, facilitating development and offering preferential terms. With the growth in our own national strength, we will gradually increase our economic aid to Africa.

We will also continue and strengthen our economic and technological co-operation with African countries in keeping with the principles of equality and mutual benefit and the desire for the attainment of common progress.

Mr. HATANO (Japan): Deeply concerned about the grinding poverty and the conditions of drought and famine in large areas of the African continent, the international community convened in 1986 a special session of the General Assembly, which adopted the United Nations Programme of Action for African Economic Recovery and Development 1986-1990. With this landmark document the international community devised a common framework for revitalizing the growth and development of African States, in which the African States committed themselves to pursue economic reforms and the international community agreed to strengthen its support for those States. Since then the majority of African States have carried out structural adjustment programmes to make their economies more efficient, and the international community

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has engaged in major co-operation programmes aimed at strengthening the economic self-reliance of African States.

Despite all these domestic and international efforts, however, the countries of Africa continue to experience profound economic difficulties. Many of them have seen their per capita income decline; external debt has continued to mount, to such levels that repayment is beyond the capability of many countries in the region. Commodity markets, upon which African States primarily depend for their exports, remain sluggish. Meanwhile, the number of people living in poverty is increasing steadily.

Japan recognizes that the situation requires urgent attention. My delegation strongly hopes that the final review of the Programme of Action next year will provide us with another opportunity to confirm our strong commitment to strengthening both national and international efforts to ensure the revitalization of growth and development in these countries.

Let me refer briefly to the elements needed to revitalize the growth and development of African States in the 1990s. It is with some hesitancy that I do so, in the recognition that each country has the primary responsibility for its own development and that development strategies will differ according to the specific needs of each country of the region. Although relations between Japan and Africa have broadened in recent years, the link between us is still weak and there remain areas in which we need to deepen our mutual understanding. So, with these caveats, I hope that, by sharing some of the lessons it has learned through its own nation-building process and through the experiences of other countries in the Asia-Pacific region, my country can contribute in a small way to a better understanding of development problems, particularly those of African countries, and what is required for their solution.

(Mr. Hatano, Japan)

First, I believe that the development process of any country requires reform by all sectors of society so that a more efficient economic structure can be vigorously pursued. The Japanese economy and its industrial structure have undergone major reform; in fact, structural adjustments are being carried out even now. It is necessary for any country, and particularly countries in Africa, to undertake such adjustments with a view to their long-term development objectives.

Secondly, a country's development process must be centred upon its indigenous capacity-building efforts in terms of its people and institutions. Indeed, this is a principle element of nation-building. The countries in East Asia which are now enjoying rapid economic growth are those that have placed high priority on the education, training and health of their people, as well as on enhancing development management capabilities. Furthermore, we believe that development will never be achieved if economic gains are swallowed up by unchecked increases in the number of people an economy must support.

Thirdly, Japan feels strongly that rural development should be considered to be the foundation of nation-building. In this regard, the importance of fostering small-scale enterprises should be stressed, with a view to incorporating unemployed and underemployed labourers in the productive work force. This is especially important in tackling the problems of poverty and hunger.

It is essential that the policies and efforts of African countries in all these areas enjoy the firm support of the international community. Japan, for its part, is making every effort to increase its aid to African States. Over the course of the past two decades it has steadily increased, in both absolute and relative terms, its economic co-operation with Africa. Whereas African nations received only 0.7 per cent of Japan's total aid in 1970, they now receive more than

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15 per cent. So, within a matter of 20 years our aid to Africa has increased from 0.7 per cent to more than 15 per cent of our total aid. My Government is committed to continuing its efforts in this regard.

As a result of this commitment Japan has provided, for example, the largest amount of financial disbursements in the context of co-financing the first phase of the Special Programme of Action for Sub-Saharan Countries of the World Bank. I can assure the Assembly that it will continue to participate actively as the Special Programme of Action enters its second phase. Japan also attributes great importance to the work of the African Development Fund and the African Development Bank, of which Japan is already the largest and the second largest non-regional subscriber, respectively. At the bilateral level Japan extends assistance mainly in the form of grant aid, such as non-project-type grants, in support of the structural adjustment efforts of African countries, as well as grant aid in such areas as basic human needs, human resources development and rural development.

Furthermore, with regard to the increasing debt burden of African States, Japan intends to continue to implement debt relief measures which, in effect, cancel outstanding debts on loans made through its official development assistance programme. My Government will also continue to participate in the application of the Toronto Scheme for the poorest countries in Africa, and is prepared to participate in any arrangement undertaken in the context of the Paris Club to reduce official debt burdens in the region.

In the area of building national capacity, without touching upon Japan's bilateral co-operation, let me refer to its recent initiatives within the framework of the United Nations. My Government participated actively in the discussions at the high-level interregional workshop held in Addis Ababa last year, and decided to provide financial support as well for the workshop to be held in Dakar next March

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and organized by the United Nations Department of Technical Co-operation for Development in collaboration with the Economic Commission for Africa. My Government will continue to co-operate, as appropriate, in similar projects with a view to enhancing the institutional and macroeconomic management capacities of African countries in development planning. Further, Japan is ready to extend assistance within the framework of the recently launched African Capacity Building Initiative of the African Development Bank, the World Bank and the United Nations Development Programme (UNDP).

I conclude my statement by reiterating that concerted efforts are needed, by African States themselves and by the international community, if the current difficulties are to be addressed effectively. My Government, for its part, is committed to doing whatever it can to support the development efforts of the African people.

Mr. LAGU (Sudan): For most of Africa the 1980s were a development disaster. Africa moved from one social and economic crisis to another, the debt crisis being the most prominent. The effect of the debt crisis on Africa has been devastating. Development goals have given way to the economics of bare survival, with the emphasis on debt servicing, domestic cutbacks and austerity.

(Mr. Lagu, Sudan)

The debt problem creates special difficulties for Africa. Mr. Bettino Craxi, the Personal Representative of the Secretary-General on Debt, in presenting his report to the Second Committee in the General Assembly Hall on 23 October, pointed out that

> "... sub-Saharan Africa now has a debt of $145 billion. In the 1980 to 1986 period, servicing of the debt in sub-Saharan Africa caused a 3.1 per cent drop in the gross product per capita, a 2.4 per cent drop in consumption and a 2.1 per cent yearly reduction in export in real terms. This further deteriorated the ratio between debt servicing and exports ...".

He went on to say:

> "At this point, the problem of the economy of the sub-Saharan countries seems insoluble without drastically reducing their debt and the introduction of exceptional concessions by the International Monetary Fund (IMF) and the World Bank".

In this regard, we join other delegations that have expressed appreciation to Mr. Bettino Craxi for the important recommendations embodied in his report.

During the last decade six African countries slipped from the middle-income to the low-income group, and the number of African least developed countries rose from 17 to 28. More and more Africans are going hungry. Severe food shortages were exceptions in 1960; now they are widespread. Sub-Saharan Africa is the only region where poverty is unlikely to decline by the year 2000. The 1990 World Bank report forecasts that some 265 million people, or 43.1 per cent of the population of Africa south of the Sahara, will live in poverty in the year 2000. In 1985 the figure was 180 million. The report states that by the end of the century sub-Saharan Africa will account for more than 30 per cent of the developing world's poor, as against 16 per cent in 1985. Even to hold the number of the poor in Africa at the 1985 level will require a massive effort, including a

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gross-domestic-product growth of 5.5 per cent a year - almost 2 per cent higher than suggested. The report says that this cannot be achieved unless Governments strengthen their reform efforts and donors increase their assistance.

The situation is aggravated by a number of natural disasters, such as desertification and drought, and by armed conflicts. The United Nations Under-Secretary-General and Executive Secretary of the Economic Commission for Africa, in his preliminary assessment of the performance of the African economy in 1989 and the prospects for 1990, pointed out that

> "a number of countries with structural food deficits will continue to require food aid in varying degrees ... and food shortages and deterioration in food supply continues to exist in areas of the Horn of Africa; and there are already scary reports of impending famine on the scale of the great African drought of 1984-1985, if prompt remedial action is not taken".

My President, Lieutenant General Omar Hassan Ahmed El Bashir, in his address to the General Assembly on 11 October, stated:

> "Natural disasters and the war waged by the rebel movement in the southern part of my country have their toll on our food supplies, which depend to a great extent on uncontrollable climatic conditions. In the two preceding agricultural seasons, the rainfall was below the normal average. At present, signs of drought, which are beginning to appear in the northern part of our country, threaten to create food shortages and therefore increase our apprehension. The situation in the neighbouring countries is no better and, therefore, we fear that there may be a new influx of refugees into Sudan in the near future". (A/45/PV.16, p. 22)

A press release issued on 23 October 1990 from the Office of the Under-Secretary-General for Special Political Questions, Regional Co-operation, Decolonization and Trusteeship, indicated that

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"Acute food scarcity prevails in much of Sudan. The effects of the second successive year of drought are causing the early migration of people from their traditional lands as well as herders in search of water, food and employment ... The Government of the Sudan has taken a number of measures to cope with the drought situation and has requested the urgent delivery from external resources of 75,000 tons of cereals for distribution in drought-affected areas of Sudan as emergency relief prior to the harvest period November-January in order to avert mass suffering".

The African continent is stricken by drought and famine affecting millions of its people, by epidemics causing high mortality, and by an alarming shortage of water. Massive, unprecedented and unplanned population movements have been recorded.

The effect of drought and desertification is alarming. It has weakened the affected countries, which are compelled to devote most of their incomes to emergency programmes for drought-stricken areas. Drought and desertification threaten the existence of agricultural areas by causing additional pressure on limited resources and worsening environmental conditions, as well as increasing the problem of refugee migration.

The Sudano-Sahelian countries of East Africa have not been spared by the general situation in Africa. Alarmed by the consequences of the drought and other related natural disasters on the economies and the lives of their peoples, they have felt the need for concerted efforts to combat drought. To that end they have worked to establish the Inter-Governmental Authority on Drought and Development (IGAAD). The Authority co-ordinates and supplements the efforts of Member States to combat the effects of drought and other related natural disasters, and to assist their developmental efforts, as well as dealing with the problems of medium- and long-term recovery and rehabilitation.

(Mr. Lagu, Sudan)

These efforts reflect the magnitude of the challenge facing those countries. While the question of the protection of the environment is currently at the top of national and international agendas, it is more than a preoccupation for those African countries: it is a question of survival. Most African countries are caught up in a massive process of restructuring, but within such severe natural and external constraints such a process has little margin for improving general living standards.

It is my delegation's belief that the debt crisis aggravates underdevelopment and that the developing countries, especially African least developed countries, cannot meet the challenge of eradicating poverty by themselves. But there are encouraging developments. Last April at its eighteenth special session, on international economic co-operation, the General Assembly adopted by consensus a Declaration in favour of developing countries. Last September at Paris, the Second United Nations Conference on the Least Developed Countries adopted the new Programme of Action for the 1990s for the Least Developed Countries, which commits the international community, and particularly the industrialized countries, collectively to make available a significant and substantial increase in aggregate levels of assistance to the least developed countries. We look forward to the prompt fulfilment of commitments undertaken at the Paris Conference on the Least Developed Countries for enhanced flows of official development assistance.

The challenge now is for Africa to reverse its present decline. The potential is there: in its vast resources, in its underutilized people, in its tradition of solidarity and co-operation. Africa's future can be decided only by Africans. We should start by reviving the 1980 Lagos Plan of Action and by focusing on regional integration, taking into account fast-changing world economic and political

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developments. The world is moving towards economic integration. Mr. Salim Ahmed Salim, Secretary-General of the Organization of African Unity (OAU), recently warned African nations not to fold their arms and watch helplessly. He said that

"there is a need for stronger unity and collective action to deal with the problems that might arise from dealing with a single market".

Fundamental structural change is needed to transform African economies and make them competitive in an increasingly competitive world. Africa must occupy the driver's seat in directing and piloting its process of recovery and transformation. It is the task of the international community, particularly our development partners and the international financial institutions, to lend a helping hand.

Needless to say, I associate myself with the request made earlier by my colleague the Permanent Representative of Uganda, speaking on behalf of members of the OAU, that the General Assembly adopt the three draft resolutions before it by consensus.

Mr. JONES (Australia): Australia is deeply concerned by the persistence of the critical economic situation in Africa and welcomes the opportunity to discuss recent developments.

Australia intends to continue to play its part as a responsible member of the international community in the urgent effort under way to assist Africans in their daily struggle against poverty and hunger, a struggle made more desperate by ecological disasters such as desertification and flooding.

Less obvious but more damaging are the severe development handicaps that afflict African efforts to provide a better economic future for the continent and its people. These structural problems include weak domestic institutions, failing physical infrastructure, disparities in urban and rural development and in income

(Mr. Jones, Australia)

distribution, demographic pressures, political turmoil - some of it externally supported - and an unfavourable international economic environment. A decade of very low returns from their traditional exports, mostly primary commodities, has left most African countries saddled with debts and lacking the foreign exchange they require to fund their successful structural adjustment and development.

Far-reaching and imaginative economic policies are required to launch the continent on the path to sustainable economic growth and social development. Efforts need to be made to increase productivity substantially in all sectors, particularly in agriculture, which directly supports three quarters of Africa's population. Australia understands the complexity of such a task and the need to deal with the external and internal factors that have caused the critical economic situation in Africa, and it recognizes the need for the international community to contribute effectively to this process.

The Assembly has before it the report of the Secretary-General's Expert Group on African Commodity Problems. Basing its analysis on the problems of the commodity export sector, which is the crucial component of most African economies, the Expert Group in its report provides refreshing and valuable insight into the development problems facing Africa and some useful conclusions and recommendations for consideration by African Governments and the international community. The Expert Group was convened not to endorse current approaches to commodity-related problems but to report on what needed to be done differently, on the ground in Africa, in the global economy and in the many multilateral organizations that concern themselves with Africa and commodity problems.

The report contains many detailed proposals for action, to which we cannot do justice in a brief debate. In our view, its key recommendations are that there be a conscious and overt upgrading of the importance of the commodity sector,

(Mr. Jones, Australia)

particularly in development planning, in African countries, and that the international community should respond to the substantial efforts being made by many African countries to overcome their problems. Reforms are necessary but are difficult to implement, and African efforts deserve greater international recognition and support.

We agree with the Expert Group's emphasis on the key role that increased domestic and foreign investment can play in reviving Africa's commodity industries and on the need to improve access to developed-country markets. Much of Africa's poor export performance is due to supply problems that need to be solved in Africa, but barriers to exports are significant and have increased in the past 20 years. They now constitute major disincentives to reform and diversification in Africa.

(Mr. Jones, Australia)

Sustained investment depends on investors - many of whom will be cash-cropping small farmers - being able to rely on continued access to markets, particularly in developed countries, as domestic markets are often small and poor. However, where African export successes have occurred, new limits to their exports have quickly emerged. We look to the Uruguay Round of multilateral trade negotiations to provide firmer foundations for investment in countries such as those in Africa which have comparative advantages in the production of agricultural and mineral commodities.

The question of follow-up is an important one, and one which directly concerns the General Assembly. The Group observed that each African country had to integrate with its own scarce governmental resources the divergent approaches of a number of different agencies. Its strong recommendation was that a single, neutral, international agency be designated to co-ordinate the development of a commodity sector strategy and policy package and report to the General Assembly annually on the implementation of the Group's recommendations.

The Group concluded that the agency best qualified to perform this role was the United Nations Development Programme (UNDP). We find the Group's argument persuasive and, taking into account the proposals, which are before us today, for the final review and appraisal of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 we look forward to a decision to this effect being taken at the earliest possible time.

Mr. MALONE (Canada): The United Nations Programme of Action for African Economic Recovery and Development 1986-1990 was one of the first programmes to grasp, in a convincing manner, the important fact that for African recovery to be sustainable the diverse elements of recovery have to be treated in an integrated

(Mr. Malone, Canada)

manner. Fundamental to economic recovery and growth in Africa is a macroeconomic and regulatory environment that can realistically be described as an enabling one.

Basic reform of unsustainable price support programmes, export diversification, the lifting of import restrictions, realistic exchange rates, an expanded role for the private sector and trimming of government bureaucracies are all needed to provide the right economic framework for development efforts aimed at growth. About half Africa's countries have adopted major policy reform programmes and many are experiencing early results.

Economic reform, however, is not an end in itself; it is but one element of a long-term strategy for development and growth. New policy priorities are being seen as an integral network of factors determining practical, effective strategies for sustainable growth. These must deal with: the structural impediments to agricultural development; the environment; population; better government; human development; institutional capacity-building; and regional integration and co-operation. A key priority also is the goal of poverty alleviation, understood not as welfare but rather as increasing the productivity of the poor in order to bring them into the mainstream of economic life.

We believe that reports such as that prepared by the Secretary-General's Expert Group on African Commodity Problems are excellent first steps in the right direction. If Africa is to avert hunger and provide its growing population with productive jobs and rising incomes, its economies need to grow by at least 4 per cent a year, and agricultural production is the only realistic primary source of this growth. This is not an attempt to lock African countries into dependence on commodities and avoid the need for economic diversification. There is no structural reason why diversification cannot take place in tandem with an enhanced commodity sector, and in fact, as the report points out, commodity production and trade must be used as a motor for economic expansion and diversification.

(Mr. Malone, Canada)

Canada supports efforts to liberalize trade in commodities and has supported efforts to diversify and develop non-traditional exports to reduce the vulnerability of African economies to price fluctuations. Canada has joined other donors in endorsing assistance programmes which take account of adjustment needs and has also actively supported a generous approach to the debt problems of debt- distressed low-income countries in sub-Saharan Africa.

Africa is a clear priority in Canadian bilateral and multilateral assistance: 45 per cent of all Canadian bilateral assistance is directed to Africa and a total of 1.128 billion Canadian dollars was disbursed to Africa in 1988-1989 through various channels. All Canadian assistance is on a grant basis and Canada has taken measures which have eliminated all outstanding development assistance debts of all sub-Saharan African countries.

In the multilateral context, Canada has urged creditors to adopt a generous approach to the debt problems of the poorest and has advocated efforts to increase resource flows to Africa. We have offered concessional rates on rescheduled official credits in the Paris Club to sub-Saharan countries which have requested Toronto terms and have committed $Can 829 million for the ninth replenishment of the International Development Association. We will provide $Can 360 million from 1991 to 1993 in support of the World Bank Special Programme for Africa II. This disbursement represents a 30 per cent increase from the revised Canadian pledge to the Special Programme for Africa I, and will take place in tandem with the replenishment of the African Development Fund.

While prospects for recovery are far from secure, there is a firm basis for cautious optimism for Africa. There are, however, certainly no easy solutions. The network of factors making up the solutions to the critical economic crisis in Africa is complex and includes sound economic policy frameworks, good governance,

(Mr. Malone, Canada)

respect for the human person, demographic issues and their relationship to poverty and the environment, and appropriate priority for the human elements of development.

Canada applauds the decision of the Organization of African Unity (OAU) in July of this year to endorse a new Charter dealing with democracy and development. Canada provided financial support for the conference which produced the new Charter. As Canada's Secretary of State for External Affairs, the Right Honourable Joe Clark, noted in his address to the General Assembly on 26 September:

> "Democracy allows Governments to gauge and reflect the needs of their societies. Democracy allows individuals to express their views and exercise their abilities. Democracy and development go hand in hand, since it is the open market which feeds prosperity and leads, almost always, to democracy." (A/45/PV.9, p. 31)

Substantial external assistance is clearly needed to support national development efforts. To be realistic, we should acknowledge that it will not be easy to meet these requirements at a time when some of the industrialized world's economies may be heading into a recession. It must be demonstrated, at this time of competing demand for scarce resources, that funds allocated to Africa will be used in a practical and effective manner to meet these extraordinary needs. It is up to us, collectively, to ensure that our efforts are demonstrably effective and sustainable, because they are so clearly needed.

Mr. Amir Ali KHAN (Pakistan): The United Nations Programme of Action for African Economic Recovery and Development 1986-1990, adopted at the thirteenth special session of the General Assembly, was predicated on two fundamental postulates. The first was acceptance by the African countries of their primary responsibility for their own recovery and development; the second was a commitment by the international community to extend full support to Africa's recovery programme through enhanced resource transfers on concessional terms of special measures to alleviate the debt burden of the African countries, as well as the promulgation of policy measures that would improve the access of African products to international markets.

Available evidence demonstrates that Africa has spared no effort to fulfil its obligations under the Programme of Action. Its efforts to implement economic reforms have been impressive. Most African countries have pursued policies of reform and structural adjustment designed to improve their economic performance and to pave the way for sustained growth and development. The agricultural sector in particular has been targeted for reform measures that include rehabilitation and development of agro-related industries, improvements in the transportation and communication sector, trade deregulation and financial efficiency. Steps have also been taken to combat drought and desertification and to promote rational development planning and human-resource development. African Governments have also instituted policy reform in economic management, exchange rates, public enterprises and population planning.

Those measures, which underline Africa's sincere commitment to the Programme of Action, have entailed many risks and sacrifices. The people of Africa have borne them with courage and dignity. It would be a mistake to take the people of Africa for granted. They rightly expect that their personal impoverishment should now lead to national revitalization and recovery.

(Mr. Amir Ali Khan, Pakistan)

The response of the international community has not been commensurate with the commitments envisaged in the Programme of Action. Net resource flows to Africa increased from $17.9 billion in 1985 to $19.9 billion in 1986 and $22.9 billion in 1987. However, in real terms, these flows were lower in 1986 and 1987 than in 1985. Similarly, official development assistance from the developed countries and multilateral institutions have registered no real increase when measured at 1986 prices and exchange rates. Furthermore, export credits to Africa have declined, whereas private commercial flows have remained negligible. That situation has been made worse by a net transfer of financial resources from Africa to the International Monetary Fund.

On the crucial question of external debt, there has been some forward movement. The agreements recently reached at the Toronto summit and the European institutions on debt reduction and forgiveness are noteworthy. However, these are limited measures that fall short of the long-term relief envisaged in the Programme of Action.

The inadequate international response to the African crisis has somewhat eroded the hope that was generated four years ago with the adoption of the Programme of Action. The adverse effects of domestic and external resource constraints on African productivity have outweighed the positive impact of policy reforms. Four years after the adoption of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990, Africa remains in deep economic crisis. Its growth is now virtually at a standstill. More than 20 African countries have experienced negative gross-domestic-product growth rates in the 1980s and income per capita for Africa as a whole has consistently declined during the past decade. Several hundred million people continue to live without proper shelter. Health care is glaringly inadequate and malnutrition is rampant.

(Mr. Amir Ali Khan, Pakistan)

The external debt burden of Africa has continued to mount. In 1988 the region's external debt totalled $220 billion, consuming an excessively large percentage of the continent's entire export earnings. Debt-service obligations have risen to almost $20 billion and are expected to double by the mid-1990s. The debt-service burden has been compounded by the virtual collapse of commodity prices. Africa earned $18 billion from its commodity exports in 1988, which was 26 per cent lower in real terms than in 1980 and 38 per cent lower than in 1970. The adverse terms of trade have been aggravated by the impact of the crisis in the Persian Gulf.

It is obvious that the current situation cannot be allowed to continue. The courageous policy measures undertaken by the African leadership are extracting a heavy social price from its peoples. The conclusion is inescapable that without stronger international support for African recovery the costs of structural adjustment and other economic initiatives will become unbearable for most countries. It is imperative that the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 be implemented in its entirety and within the agreed time-frame. The commitments made by the major donors and mulitlateral institutions should be met in full if the tide of economic distress and dislocation currently sweeping the African continent is to be stemmed and reversed. Equally important is the need to improve the external economic environment that continues to impede Africa's recovery effort. Concerted measures should be taken to eliminate barriers against developing countries' exports. Resource availability should be placed on a long-term and assured footing, and a serious attempt made to remove subsidies on all agricultural products, particularly those that compete directly with African exports.

(Mr. Amir Ali Khan, Pakistan)

Urgent measures should also be devised to stabilize commodity prices at remunerative levels and to provide adequate compensatory financing in the event of shortfalls in export earnings.

The African economic crisis, its particularities notwithstanding, did not emerge as an isolated phenomenon and cannot be treated as such. Reform of the international economic and financial system is as vital to Africa's recovery as are the specific measures aimed at alleviating the crisis. Additionally, an overall improvement in the international economic environment will revitalize growth and development in the entirety of the developing world. The opportunities for horizontal co-operation thus created would immeasurably reinforce Africa's efforts to place its economy on the path of sustained development.

Pakistan is a small country but it is not unmindful of its responsibility to the African countries in their quest for long-term development. In August 1987 Pakistan launched a five-year technical assistance programme for Africa which includes almost a thousand scholarships in various disciplines such as banking, railways, airlines, administration, medicine and engineering in our colleges and universities. In addition, 50 senior-level fellowships for specialized training in water management, small-scale irrigation and livestock development are offered in the programme. We invite our African brothers to make full use of this modest contribution to their own efforts to restore their growth and achieve self-reliance.

The difficulties facing Africa are formidable and the risks of failure devastating in human terms. It is time now to strive together on a strategic agenda for the 1990s to assure Africa a prosperous future. We are confident that the people of this continent, true to their noble values, will be able to overcome their current difficulties and restore faith in the belief that this great region, inherited by brave and gifted people, is indeed a continent of hope and promise.

The meeting rose at 12.55 p.m.